

# RAYSEARCH LABORATORIES AB (PUBL)

INTERIM REPORT JANUARY 1 – MARCH 31, 2013

## JANUARY 1 – MARCH 31, 2013

- Net sales for the period amounted to SEK 47.9 M (38.4)
- Profit after tax totaled SEK 5.2 M (4.6) and earnings per share was SEK 0.15 (0.13)
- Operating profit was SEK 8.1 M (6.7)
- Cash flow amounted to SEK 0.6 M (10.9)
- First orders for RayStation® from Spain and France
- RayStation® 3.5 released

## AFTER THE END OF THE PERIOD

- RaySearch licensed technology from GSI
- Major treatment center in Maryland selected RayStation®

“Net sales increased by 25 percent during the first quarter thanks to increasing sales of RayStation® as well as increasing sales via partners,” says Johan Löf, President of RaySearch.

“The year has started well and RayStation® is evolving at a fast pace. While considerable work remains ahead for expanding our sales and service organization, interest in the system is rising continuously and we are involved in an increasing number of business discussions throughout the world. It is difficult to predict how rapidly the interest will translate into orders and deliveries, but we are looking forward to the rest of 2013 with confidence,” concludes Johan Löf.

## SUMMARY OF FINANCIAL RESULTS

AMOUNTS IN SEK 000S	JAN–MAR		FULL-YEAR
	2013	2012	2012
Net sales	47,900	38,449	182,087
Operating profit	8,110	6,718	22,546
Operating margin, %	16.9	17.5	12.4
Profit for the period	5,174	4,617	19,863
Earnings per share, SEK	0.15	0.13	0.58
Share price at the end of the period, SEK	31.10	23.80	20.80

The information in the interim report is such that RaySearch must disclose publicly in accordance with the Swedish Securities and Clearing Operations Act and/or the Swedish Financial Instruments Trading Act. The information was submitted for publication on May 16, 2013 at 7.45 a.m.

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## CEO COMMENTS

### WIDESPREAD INTEREST IN RAYSTATION

Throughout 2012, we noted increasing interest in our treatment planning system RayStation® and this positive trend continued during the first quarter of 2013. We recently returned from the annual European ESTRO radiation therapy meeting, which was held in Geneva this year. The trade show was highly successful and we held more than a hundred product demonstrations for potential customers and attracted an audience of a couple of hundred people at our lunch symposium where existing customers spoke about their experiences with RayStation®. Despite the harsh economic climate in many European markets, we secured several exciting orders during the quarter. For example, we gained our first customers in France and Spain. We are also working intensely on sales through our subsidiary RaySearch Americas in North America and received several orders. One example is an order from the University of Maryland, which is a major leading university clinic in the state of Maryland. In total, we now have more than 40 customers in 13 countries.

We also continued to build our sales and service organization. For example, we worked intensely with our Asian distributors in South Korea, where sales are progressing at full speed and in China, where we anticipate market approval shortly. We are also working on establishing proprietary sales companies in new markets and we are in the process of recruiting additional sales staff in Europe and Asia.

### SHARP REVENUE INCREASE

We carried out more installations of RayStation® during the first quarter of 2013 compared with the year-earlier period, which resulted in increased revenues from RayStation®. Sales via partners also rose during the quarter, due to Philips, Nucletron and Varian reporting improved sales compared with the first quarter of 2012. Revenues from IBA Dosimetry fell slightly and the agreement with Siemens was terminated in 2012 and will not generate any more revenues.

Revenues rose a total of 24.6 percent to SEK 47.9 M [38.4]. Profit for the period increased slower than the revenues, to SEK 5.2 M [4.6]. This was primarily due to the build-up of infrastructure for selling and marketing RayStation® leading to higher costs than in 2012, and to higher legal fees in the US resulting from the patent dispute with Prowess.

### PATENT PROCESS CONTINUES

In May 2011 we were sued by the US company Prowess, which claims that we have infringed on a US patent that they license. We believe there is no infringement and in addition, that the patent should be invalidated since there is prior art in numerous older publications describing the same methods. We have a strong defense and hope to win the case.

The process continues and we are focusing a great deal of energy on the matter to defend ourselves in the best possible manner. It is still difficult to predict how long it will take to resolve the dispute and the total costs this will entail for RaySearch. However, it is clear that we will continue to incur substantial legal costs in 2013.

### NEW HEAD OF DEVELOPMENT

Our Head of Development Anders Murman, who has been at RaySearch since 2004, has decided to leave to start working at another company in a different industry. I want to thank Anders for all these years. He will be replaced by Henrik Friberger who has been with RaySearch all the way since 2001 and has served as Head of our Algorithm department as well as project leader for RayStation® and the Philips partnership.

## CONTINUED FOCUS ON RAYSTATION®

The year 2013 will be characterized by continued development of a global sales, marketing and support organization for RayStation®. However, we are proceeding cautiously and will build the infrastructure step by step with the goal of a positive profit contribution from the direct sales effort also in the short-term but since there are major fluctuations in deliveries the earnings may also fluctuate from quarter to quarter.

The first version of RayStation® for general use was released in January 2012; in August, we released the next version and we released another version in March this year, RayStation® 3.5. This means that we are maintaining a significantly higher pace of development than our competitors and this development work will continue. The new version contains many exciting new features. The system now supports delivery modes available with all relevant machines from the leading hardware suppliers for standard radiation therapy with photons. In addition, RayStation® 3.5 includes state-of-the-art tools for treatment planning of radiation therapy with electrons and protons, complementing RayStation's extensive tools for planning and optimization of radiation therapy with photons. Radiation therapy using protons or carbon ions is the most advanced and precise form of external radiation therapy where the tumor is irradiated with protons or carbon ions instead of photons that are used in standard radiation therapy. This is a small but very important niche for RaySearch in which the company holds a strong position.

In April, we also signed a license agreement with the world-leading research center GSI in Germany, which gives us the right to integrate very interesting technology for planning using carbon ion treatments in RayStation®. This technology has been developed and validated clinically at GSI and the partnership further strengthens our position as the leading supplier of software in the field of ion beam therapy.

We will continue to collaborate with our partners in parallel to these activities. For example, we recently completed a new version of the quality-assurance system, COMPASS®, together with IBA Dosimetry. We are also working on other development projects together with existing partners and interest is being shown among potential partners, which means that even though we are investing considerable resources in RayStation®, the partner model is and will remain a key component of our operations.

The year has started well and RayStation® is evolving at a fast pace. While considerable work remains ahead for expanding our sales and service organization, interest in the system is rising continuously and we are involved in an increasing number of business discussions throughout the world. It is difficult to predict how rapidly the interest will translate into orders and deliveries, but we are looking forward to the rest of 2013 with confidence.

Stockholm, May 16, 2013

Johan Löf  
President and CEO of RaySearch Laboratories AB (publ)

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## SIGNIFICANT EVENTS

### EVENTS DURING THE FIRST QUARTER OF 2013

#### *First RayStation® orders from Spain and France*

In January RaySearch received the first Spanish order for RayStation® from Consorcio Hospitalario Provincial de Castellón (CHPC) in Castellón, Spain. CHPC is a hospital responsible for cancer treatments in the province of Castellón, with 540,000 inhabitants. The hospital's oncological units treats more than 1,200 patients annually with all forms of external and brachytherapy.

In January, the first French RayStation® order was also received from Institut de Cancérologie Lucien Neuwirth (ICLN) in Saint Priest en Jarez, France. ICLN is a hospital specialized in cancer treatment and is part of the Saint Etienne University. The clinic offers treatments using advanced radiation therapy and cytotoxins and treats 1,900 patients yearly. ICLN will primarily use RayStation® as a complement to the existing treatment planning system to perform advanced techniques such as adaptive radiation therapy or planning of IMRT treatments using multi-criteria optimization.

#### *RayStation® 3.5 released*

In March, it was announced that version 3.5 of RaySearch's treatment planning system RayStation® had been released. The new version is available for clinical use in the EU, the US, Japan, South Korea and Australia, and is pending regulatory approval in Canada, China and New Zealand. With RayStation® 3.5 RaySearch releases state-of-the-art tools for treatment planning of radiation therapy with electrons and protons, complementing RayStation's extensive tools for planning and optimization of radiation therapy with photons. RayStation® 3.5 also adds new features to the existing IMRT and VMAT modules offering the possibility to perform all IMRT and VMAT delivery modes available with all relevant machines from the leading hardware suppliers. In addition to support for all treatment modalities, RayStation® 3.5 also offers a wide range of new tools for improving the planning workflow and automating tedious treatment planning tasks. The version also includes support for Biological Evaluation and Biological Optimization and a wide range of other new features and many major improvements and performance enhancements.

### EVENTS AFTER THE END OF THE REPORT

#### *RaySearch licensed technology from GSI*

RaySearch entered into a license agreement with GSI Helmholtzzentrum für Schwerionenforschung in Darmstadt, Germany (GSI) regarding techniques for calculating radiobiological effective dose in ion beam treatments. Ion beam therapy is the most advanced form of external radiotherapy where the tumor is irradiated with protons or carbon ions instead of with photons that are used in standard radiation therapy. The biological effect of ions on tissue is different compared to traditional photon beams and this difference must be accounted for during treatment planning for ion beams. The Biological Modeling research team at GSI has, for a long time developed and refined the Local Effect Model (LEM) for calculating the relative biological effectiveness during irradiation with therapeutic carbon ion beams. The new agreement gives RaySearch the right to integrate algorithms and know-how from GSI related to the LEM in RaySearch's RayStation® treatment planning system. The LEM and RaySearch's algorithms for dose calculation will be built into the system's module for carbon treatment plan optimization.

***Major treatment center in Maryland selected RayStation®***

In April, the University of Maryland Marlene and Stewart Greenebaum Cancer Center in Baltimore, Maryland, announced that they are implementing RayStation® to customize radiation therapy for cancer patients over the course of their treatment. The system will allow doctors to fine-tune the radiation dose and make other adjustments to the treatment plan as patients experience changes such as tumor shrinkage and/or weight loss. The new system will be in full operation this spring at the Greenebaum Cancer Center and later in the year at several other hospitals in the University of Maryland Medical System.

# FINANCIAL INFORMATION

## SALES AND EARNINGS FOR THE FIRST QUARTER OF 2013

### *Revenues and currency effects*

During the first quarter of 2013, sales rose 24.6 percent year-on-year and amounted to SEK 47.9 M [38.4]. Sales consist of license revenues via partners and direct sales, as well as support revenues. The total number of licenses sold via partners and direct sales amounted to 548 [355] and license revenues during the first quarter of 2013 totaled SEK 41.6 M [33.9]. The increase in license revenues resulted from a rise in revenues from direct sales of RayStation®, as well as higher sales of products from partnerships with Philips, Nucletron and Varian. Support revenues in the first quarter of 2013 rose to SEK 6.3 M [4.5].

The company is dependent on exchange-rate trends in the USD and EUR against the SEK, since invoicing is denominated in USD and EUR, while most of the costs are in SEK. During the first quarter of 2013, revenues in USD were recognized at an average exchange rate of SEK 6.47, compared with SEK 6.67 in the year-earlier period. In 2013, revenues in EUR were recognized at an average exchange rate of SEK 8.30, compared with SEK 8.85 in the year-earlier period. Accordingly, currency effects had a negative impact on sales. At unchanged exchange rates, sales would have increased 29.5 percent year-on-year. A sensitivity analysis of currency exposure indicates that the impact of a  $\pm 10$  percent change in the average USD exchange rate on operating profit for the first quarter of 2013 was  $\pm$  SEK 1.9 M and that the corresponding effect of a  $\pm 10$  percent change in the average EUR exchange rate was  $\pm$  SEK 1.1 M. The company pursues the currency policy established by the Board of Directors.

### *Expenses and profit*

Operating profit for the first quarter of 2013 amounted to SEK 8.1 M [6.7], corresponding to an operating margin of 16.9 percent [17.5]. Operating expenses, excluding exchange-rate gains and losses, increased SEK 9.0 M to SEK 38.9 M, compared with the year-earlier period. Other operating revenues and other operating expenses refer to exchange-rate gains and losses, with the net of these for the first quarter of 2013 amounting to an expense of SEK 0.5 M [expense: 1.8]. The increase in operating expenses derived mainly from higher marketing and personnel costs for sales and service due to activities related to direct sales of RayStation®, higher amortization of capitalized development costs pertaining to RayStation® and to higher legal costs resulting from the patent dispute with Prowess.

At March 31, 2013, 73 [67] employees were engaged in research and development. Research and development costs include payroll costs, consulting fees, computer equipment and premises. Before capitalization and amortization of development expenditures, research and development costs totaled SEK 22.1 M [19.7].

During the first quarter of 2013, capitalized development expenditures amounted to SEK 15.2 M [13.2]. Amortization of capitalized development expenditures in the first quarter of 2013 amounted to SEK 13.1 M [10.8]. After adjustments for capitalization and amortization of development expenditures, research and development costs totaled SEK 20.0 M [17.3].

Amortization of intangible fixed assets in the first quarter of 2013 amounted to SEK 13.1 M [10.8] and depreciation of tangible fixed assets totaled SEK 0.3 M [0.3]. Total amortization and depreciation during the first quarter of 2013 amounted to SEK 13.4 M [11.1]. Amortization and depreciation pertained primarily to capitalized development expenditures.

Profit after tax for the first quarter of 2013 was SEK 5.2 M [4.6], corresponding to earnings per share before and after dilution of SEK 0.15 [0.13]

***Geographic distribution of license revenues***

License revenues in the first quarter of 2013 were distributed as follows: North America 33 percent (56), Asia 24 percent (20), Europe and the rest of the world 43 percent (24).

**LIQUIDITY AND FINANCING**

Cash flow from operating activities during the first quarter of 2013 fell to SEK 16.2 M (24.5), as a result of working capital rising in the first quarter of 2013 but declining in the year-earlier period. Cash flow from investing activities declined to a negative SEK 15.6 M (neg: 13.6).

Cash flow for the period amounted to SEK 0.6 M (10.9). At March 31, 2013, cash and cash equivalents amounted to SEK 62.3 M, compared with SEK 39.6 M on March 31, 2012. At March 31, 2013, current receivables totaled SEK 63.3 M, compared with SEK 57.6 M on March 31, 2012. The receivables primarily comprised accounts receivables. RaySearch has no interest-bearing liabilities.

**FINANCIAL INSTRUMENTS**

RaySearch's financial assets and liabilities comprise accounts receivables, cash and cash equivalents and accounts payable. Financial assets and liabilities have short terms. Accordingly, the fair values of all financial instruments are deemed to approximately correspond to the carrying amounts.

**INVESTMENTS**

Fixed assets primarily comprised capitalized development costs. Investments in intangible fixed assets during the first quarter of 2013 amounted to SEK 15.2 M (13.2) and investments in tangible fixed assets to SEK 0.4 M (0.6).

**EMPLOYEES**

At the end of the first quarter, the number of employees in RaySearch was 104 (87). The average number of employees during the January-March 2013 period was 102 (87).

**PARENT COMPANY**

Since in all material respects the financial reporting of the Parent Company matches the financial reporting of the Group, the comments for the Group are also largely relevant for the Parent Company. Capitalization of development costs is recognized in the Group, but not in the Parent Company.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME IN SUMMARY

AMOUNTS IN SEK 000S	JAN–MAR		FULL-YEAR
	2013	2012	2012
Net sales	47,900	38,449	182,087
Cost of goods sold	-294	-36	-3,029
<b>Gross profit</b>	<b>47,606</b>	<b>38,413</b>	<b>179,058</b>
Other operating income	-	534	1,032
Selling expenses	-8,249	-5,740	-36,267
Administrative expenses	-10,678	-6,880	-39,279
Research and development costs	-20,020	-17,303	-78,657
Other operating expenses	-549	-2,306	-3,341
<b>Operating profit</b>	<b>8,110</b>	<b>6,718</b>	<b>22,546</b>
Result from financial items	244	125	1,018
<b>Profit before tax</b>	<b>8,354</b>	<b>6,843</b>	<b>23,564</b>
Tax	-3,180	-2,226	-3,701
<b>Profit for the period<sup>1)</sup></b>	<b>5,174</b>	<b>4,617</b>	<b>19,863</b>
<b>Other comprehensive income</b>			
<b>Items to be reclassified to profit or loss</b>			
Translation difference of foreign operations for the period	-26	257	993
<b>Items not to be reclassified to profit or loss</b>			
	-	-	-
<b>Profit for the period<sup>1)</sup></b>	<b>5,174</b>	<b>4,617</b>	<b>19,863</b>
Earnings per share before and after dilution (SEK)	0.15	0.13	0.58

<sup>1)</sup> 100% attributable to shareholders in the Parent Company.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION IN SUMMARY

AMOUNTS IN SEK 000S	MAR 31, 2013	MAR 31, 2012	DEC 31, 2012
<b>ASSETS</b>			
Intangible fixed assets	168,063	168,063	165,926
Tangible fixed assets	3,852	4,076	3,711
<b>Total fixed assets</b>	<b>171,915</b>	<b>167,530</b>	<b>169,637</b>
Current receivables	63,304	57,607	61,515
Cash and cash equivalents	62,291	39,572	61,875
<b>Total current assets</b>	<b>125,595</b>	<b>91,179</b>	<b>123,390</b>
<b>TOTAL ASSETS</b>	<b>297,510</b>	<b>264,709</b>	<b>293,027</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	222,701	201,571	217,553
Deferred tax liabilities	41,439	46,998	40,966
Other long-term liabilities	-	642	-
Accounts payable	10,712	3,131	11,717
Other current liabilities	22,658	12,367	22,791
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>297,510</b>	<b>264,709</b>	<b>293,027</b>
Pledged assets	37,500 <sup>1)</sup>	5,000	37,500 <sup>1)</sup>
Contingent liabilities	See Note	None	See Note

## CONSOLIDATED STATEMENT OF CASH FLOW IN SUMMARY

AMOUNTS IN SEK 000S	JAN–MAR		FULL-YEAR
	2013	2012	2012
Profit before tax	8,354	6,843	23,564
Adjusted for non-cash items <sup>2)</sup>	13,244	11,984	50,551
Taxes paid	-797	2,838	-3,010
<b>Cash flow from operating activities before changes in working capital</b>	<b>20,801</b>	<b>21,665</b>	<b>71,105</b>
Cash flow from changes in working capital	-4,579	2,846	16,346
<b>Cash flow from operating activities</b>	<b>16,222</b>	<b>24,511</b>	<b>87,451</b>
Cash flow from investing activities <sup>3)</sup>	-15,649	-13,569	-54,165
Cash flow from financing activities	-	-	-
<b>Cash flow for the period</b>	<b>573</b>	<b>10,942</b>	<b>33,286</b>
Cash and cash equivalents at the beginning of the period	61,875	28,704	28,704
Exchange-rate difference in cash and cash equivalents	-157	-74	-115
<b>Cash and cash equivalents at the end of the period</b>	<b>62,291</b>	<b>39,572</b>	<b>61,875</b>

<sup>1)</sup> In September 2012, pledged assets were increased to SEK 20 M as collateral for an increase of the committed line of credit to the same amount. In November, RaySearch issued a bank guarantee of EUR 1.8 M to the Austrian customer MedAstron. Due to this, cash of an equivalent amount has been blocked.

<sup>2)</sup> These amounts include amortization of capitalized development costs.

<sup>3)</sup> These amounts include capitalized development costs.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN SUMMARY

AMOUNTS IN SEK 000S	JAN–MAR		FULL-YEAR
	2013		2012
Opening balance	217,553		196,697
Profit for the period	5,174		19,863
Translation difference for the period	-26		993
Dividend paid	-		-
Closing balance	222,701		217,553

## CHANGES IN NUMBER OF SHARES

	JAN–MAR		FULL-YEAR
	2013		2012
Total number of shares (opening and closing balance)	34,282,773		34,282,773
Holding of treasury shares, opening balance	299,628		299,628
Holding of treasury shares, closing balance	299,628		299,628
Average number of treasury shares	299,628		299,628

## KEY DATA AND FINANCIAL INFORMATION IN SUMMARY

AMOUNTS IN SEK 000S	JAN-MAR			FULL-YEAR
	2013	2012	2011	2012
Net sales	47,900	38,449	23,047	182,087
Operating profit	8,110	6,718	2,083	22,546
Operating margin, %	16.9	17.5	9.0	12.4
Profit margin, %	17.4	17.8	10.1	12.9
Profit for the period	5,174	4,617	1,597	19,863
Earnings per share, SEK	0.15	0.13	0.05	0.58
Return on capital employed, %	11.8	16.6	16.0	11.4
Return on equity, %	9.6	10.0	11.4	9.6
Equity/assets ratio, %	74.8	76.2	77.0	74.2
Adjusted equity per share at the end of the period, SEK	6.49	5.88	5.78	6.35
Share price at the end of the period, SEK	31.10	23.80	35.40	20.80

## PARENT COMPANY INCOME STATEMENT IN SUMMARY

AMOUNTS IN SEK 000S	JAN–MAR		FULL-YEAR
	2013	2012	2012
Net sales	49,642	36,726	181,289
Cost of goods sold	-41	-36	-265
<b>Gross profit</b>	<b>49,601</b>	<b>36,690</b>	<b>181,024</b>
Other operating income	-	534	1,032
Selling expenses	-4,442	-2,677	-19,366
Administrative expenses	-10,673	-6,877	-38,673
Research and development costs	-22,172	-19,681	-83,559
Other operating expenses	-549	-2,306	-3,341
<b>Operating profit</b>	<b>11,765</b>	<b>5,683</b>	<b>37,117</b>
Result from financial items	244	118	-8,889
<b>Profit after financial items</b>	<b>12,009</b>	<b>5,801</b>	<b>28,228</b>
Appropriations	-	-	-4,985
<b>Profit before tax</b>	<b>12,009</b>	<b>5,801</b>	<b>23,243</b>
Tax	-2,700	-1,576	-9,035
<b>Profit for the period</b>	<b>9,309</b>	<b>4,225</b>	<b>14,208</b>

## PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

AMOUNTS IN SEK 000S	JAN–MAR		FULL-YEAR
	2013	2012	2012
Profit for the period	9,309	4,225	14,208
Translation difference for the period	-	-	-
<b>Comprehensive income for the period</b>	<b>9,309</b>	<b>4,225</b>	<b>14,208</b>

## PARENT COMPANY BALANCE SHEET IN SUMMARY

AMOUNTS IN SEK 000S	MAR 31, 2013	MAR 31, 2012	DEC 31, 2012
<b>ASSETS</b>			
Intangible fixed assets	28	96	44
Tangible fixed assets	2,987	3,900	3,124
Financial fixed assets	2,171	12,744	2,171
<b>Total fixed assets</b>	<b>5,186</b>	<b>16,740</b>	<b>5,339</b>
Current receivables	90,960	62,938	84,140
Cash and cash equivalents	59,463	35,308	56,682
<b>Total current assets</b>	<b>150,423</b>	<b>98,246</b>	<b>140,822</b>
<b>TOTAL ASSETS</b>	<b>155,609</b>	<b>114,986</b>	<b>146,161</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	104,709	85,418	95,400
Untaxed reserves	20,326	15,341	20,326
Accounts payable	9,280	3,131	10,047
Other current liabilities	21,294	11,095	20,388
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>155,609</b>	<b>114,986</b>	<b>146,161</b>
Pledged assets	37,500	5,000	37,500
Contingent liabilities	See Note	None	See Note

### NOTE

In May 2011, the US company Prowess filed a lawsuit against RaySearch at the court in Baltimore, Maryland, USA. Prowess claims that RaySearch infringed on a US patent for which Prowess has the license. RaySearch believes that there is no infringement and in addition, that the patent should be invalidated since there is prior art in numerous older publications describing the same methods. The court process is continuing and it is difficult to predict how long it will take to resolve the dispute and the total costs this will entail for RaySearch. However, it is clear that RaySearch will be forced to continue paying substantial legal costs in 2013 to defend the company in the best possible manner.

## OTHER INFORMATION

### ACCOUNTING POLICIES IN ACCORDANCE WITH IAS/IFRS

This interim report in summary for the Group was prepared in accordance with IAS 34 Interim Financial Reporting and the applicable provisions of the Swedish Annual Accounts Act. The Parent Company's financial statements were prepared pursuant to Chapter 9 of the Swedish Annual Accounts Act, Interim Financial Reporting. The same accounting policies and basis of computation that were applied in the most recent Annual Report were used to prepare the Group and Parent Company accounts. New or revised IFRS standards during 2013 have not affected RaySearch during the period and no known changes are expected to affect RaySearch in 2013.

Since RaySearch has only one segment, no segment reporting was prepared.

### RISKS AND UNCERTAINTIES IN THE GROUP AND THE PARENT COMPANY

#### *Financial risk management*

RaySearch's financial policy governing the management of financial risks was established by the Board of Directors and represents a framework of guidelines and rules in the form of risk mandates and limits for financial activities. RaySearch is affected primarily by exchange-rate risk. All of RaySearch's net sales are denominated in USD and EUR. In accordance with the established financial policy, no currency hedging is employed. The financial policy is updated at least once annually.

#### *Operational risks*

As a result of its activities, RaySearch is exposed to various operational risks, including the following: dependence on key persons, competition and strategic partnerships. RaySearch currently has partnerships with Philips, Nucletron, IBA Dosimetry, Varian and Accuray. RaySearch also has several research partnerships. If RaySearch were to lose one or more of these partners, this could have a major impact on the company's sales, profit and financial position. This risk decreases as the percentage of direct sales increases.

For more detailed information about RaySearch's financial risk management and operational risks, refer to page 75 of the 2012 Annual Report.

### RELATED-PARTY TRANSACTIONS

No transactions between RaySearch and related parties materially affected the company's position and earnings.

### ESTIMATES

Preparation of the interim report requires that company management makes estimates that affect the reported amounts of assets, liabilities, revenues and expenses. The actual outcome could deviate from these estimates. The critical sources of uncertainty in the estimates are the same as those in the most recent Annual Report.

### REVIEW

This interim report has not been reviewed by the company's auditors.

INTERIM REPORT JANUARY 1 – MARCH 31, 2013

Stockholm, May 16, 2013

Johan LÖf

*President and Board member*

**FOR FURTHER INFORMATION, PLEASE CONTACT:**

Johan Löf, President  
Tel: +46 (0)8-545 061 30  
johan.lof@raysearchlabs.com

RaySearch Laboratories AB (publ)  
Corporate Registration Number 556322-6157  
Sveavägen 25  
SE-111 34 Stockholm, Sweden

**FINANCIAL REPORTING**

Annual General Meeting	May 22, 2013 at 6 p.m. The Annual General Meeting will be held at Stockholm Concert Hall, Grünwaldsalen, Hötorget 8, Stockholm
Interim report for the first six months	August 28, 2013
Interim report for the third quarter	November 27, 2013

**ABOUT RAYSEARCH**

RaySearch Laboratories is a medical technology company that develops advanced software solutions for improved radiation therapy of cancer. RaySearch's products are mainly sold through license agreements with leading partners such as Philips, Nucletron, IBA Dosimetry, Varian and Accuray. To date, 15 products have been launched through partners and RaySearch's software is used at over 2,000 clinics in more than 30 countries. In addition, RaySearch offers the proprietary treatment planning system RayStation® directly to clinics. RaySearch was founded in 2000 as a spin-off from Karolinska Institutet in Stockholm and the company is listed in the Small Cap segment on NASDAQ OMX Stockholm.

For more information about RaySearch, visit [www.raysearchlabs.com](http://www.raysearchlabs.com)